

Message Text

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ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 CU-04 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FEAE-00 FPC-01 H-01
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FM AMCONSUL HONG KONG
TO SECSTATE WASHDC 6379
INFO AMEMBASSY BANGKOK
AMEMBASSY CANBERRA
AMEMBASSY JAKARTA
AMEMBASSY KUALA LUMPUR
AMEMBASSY MANILA
AMEMBASSY MOSCOW
AMEMBASSY PARIS
AMEMBASSY RANGOON
AMEMBASSY ROME
AMEMBASSY SINGAPORE
AMEMBASSY TOKYO
USLO PEKING
AAA/COMUSTDC
CINCPAC

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CINCPAC FOR POLAD

EO 11652: N/A
TAGS: ECON, TGEN, CH
SUBJECT: PRC BI-WEEKLY ECONOMIC HIGHLIGHTS NO. 10

1. OIL AT CENTER STAGE

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THE PETROLEUM INDUSTRY CONTINUES TO OCCUPY THE
"LEADING POSITION" IN THE NATIONAL ECONOMY WITH A
DEVELOPMENT PACE THAT OUSTRIIPPED ALL OTHER SECTORS
DURING THE FIRST SEVEN MONTHS OF 1977. AN ARTICLE IN THE
AUGUST 14 PEOPLE'S DAILY CLAIMED A MORE THAN SIX-FOLD
INCREASE IN CRUDE OIL OUTPUT DURING THE LAST 11 YEARS,
PUTTING 1976 PRODUCTION AT 84.7 MILLION TONS. THE SAME

ARTICLE DISCLOSED THAT A NEW OILFIELD WAS OPENED AND BEGAN DELIVERING CRUDE TO PEKING SOMETIME LAST YEAR. THE CHINESE ARE ALSO MAKING AN EFFORT TO INCREASE REFINING CAPACITY WHICH, BY THEIR OWN ADMISSION, HAS CHRONICALLY LAGGED BEHIND THE RATE OF GROWTH OF OUTPUT. (THE PEOPLE'S DAILY, AUGUST 14, CLAIMS A MORE THAN FOUR-FOLD INCREASE SINCE 1965.) THE CANTON PETROCHEMICAL COMPLEX, BEGUN IN 1974, IS NOW ON STREAM. THE AUGUST 12 ARRIVAL AT WHAMPOA OF A TANKER CARRYING SHENGLI CRUDE MAY SIGNAL THE BEGINNING OF REGULARIZED COASTAL SHIPPING OF CRUDE FROM NORTH CHINA FOR REFINING IN THE SOUTH, AT LEAST UNTIL NEARBY RESERVES CAN PROFITABLY SUPPORT THE COMPLEX.

2. PRC SUMMER HARVEST CLAIMS SUGGEST RICE FARES BETTER THAN WHEAT

CHINA'S FAILURE TO COMPARE THIS YEAR'S SUMMER WHEAT HARVEST WITH LAST YEARS'S SUGGESTS A DECLINE IN WHEAT OUTPUT. THE GOVERNMENT HAS ACKNOWLEDGED THAT CHINA HAS SUFFERED THE WORST DROUGHT AND COLD SPELL IN DECADES AND NCNA PRONOUNCEMENTS ON CHINA'S SUMMER HARVEST (PRIMARILY WHEAT AND EARLY RICE) HAVE BEEN COUCHED IN EVASIVE TERMS SUCH AS "GOOD HARVEST" AND "ROUGH ESTIMATE." ONLY TWO OF THE THREE MAIN WHEAT-PRODUCING PROVINCES--SHANTUNG, HONAN, AND HOPEI--REPORTED THAT "GOOD HARVESTS" OF WHEAT WERE REAPED. SHANTUNG CLAIMED LIMITED OFFICIAL USE

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A "BUMPER HARVEST," BUT FAILED TO DISCLOSE GROWTH RATES. HONAN'S WHEAT OUTPUT WAS EARLIER CLAIMED TO HAVE BEEN EQUAL TO THAT OF 1975. AS FOR THE PRODUCTION OF EARLY RICE, NCNA, PEKING, AUGUST 17, 1977, CLAIMS THAT CHINA REAPED A BUMPER CROP, ADDING THAT TOTAL PRODUCTION ON NEARLY 200 MILLION MOU (13.3 MILLION HECTARES) OF PADDY FIELDS REACHED THE HIGHEST RECORD IN HISTORY.

3. CHINA WILL UPGRADE TRAINING OF YOUNG SCIENTISTS AND TECHNICIANS

CHINA IS ACTIVELY PREPARING TO UPGRADE AND BROADEN THE TRAINING OF A NEW GENERATION OF SCIENTISTS AND TECHNICIANS. NCNA REPORTED AUGUST 18 THAT THE CHINESE ACADEMY OF SCIENCES RECENTLY SPONSORED A WORK CONFERENCE AT THE CHINESE UNIVERSITY OF SCIENCE AND TECHNOLOGY IN ANHWEI PROVINCE. THE ACADEMY RECOMMENDED THAT THE UNIVERSITY SET UP NEW COURSES, IN ORDER TO KEEP PACE WITH THE RAPID DEVELOPMENT OF SCIENCE AND TECHNOLOGY IN THE WEST. ALSO, THE UNIVERSITY'S ACITIVITIES ARE TO BE EXPANDED TO MAKE IT AN IMPORTANT CENTER OF CHINA'S RESEARCH, AS WELL AS A CENTER OF EDUCATION. THE

ACADEMY OF SCIENCES WILL CONTINUE TO STRENGTHEN
COORDINATION BETWEEN ITS INSTITUTES AND THE UNIVERSITY'S
DEPARTMENTS. FURTHER, THE UNIVERSITY WILL REFORM
ITS PROCEDURES FOR ENROLLING NEW STUDENTS, AND WILL
PLACE NEW EMPHASIS ON SCIENTIFIC TALENT, RATHER THAN
IDEOLOGICAL ACCEPTABILITY.
CROSS

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